

Due Diligence Background Investigations

**Greetings!**

You have probably read about the Uber scandal. What started as claims of sexual harassment by a former employee has snowballed into a legitimate debacle for the company, resulting in firings, resignations and allegations of impropriety by many employees. What strikes me the most is how these issues, which are extremely damaging for Uber, could have been prevented for around \$5,000 - the cost of a thorough background investigation. A proper investigation of an executive should *always* include both a rigorous review and analysis of public records and contacting former business associates of the candidate. Many people underestimate the value of a simple phone call, "what was your experience like working with Mr/Ms blank?" This question, along with some strategic follow ups, will elicit critical information about someone. It is unfortunate that Uber seemingly didn't reach out to Google before hiring the Senior VP, who was fired after accusations of sexual harassment at his former employer were unearthed. With a looming IPO, Uber would have been well suited to spend the money up front to protect itself from the damage that even money now cannot save.

Sincerely,

Ken S. Springer - [Founder and President](#)

Social Media - Another Due Diligence Tool

In recent weeks we have been contacted by several news outlets to comment on the evolving landscape of social media and the implications it has for investors and employers when making deals and hiring executives. While social media certainly isn't a novel concept (getting millions of followers takes time!), the idea of social media being a go-to source for information and not just an outlet for family and friends to share short musings and pictures *is* relatively new.

The bones of someone's LinkedIn, Facebook, and Instagram profiles, as well as their posts, likes, shares, etc., often give more life to a candidate than their resume ever could on its own. The fact that someone worked at Citibank from 1996-2003 is important to know for sure, but so are the political rants and hate speech that have as much impact on your deal and reputation as a person's qualifications. For employers and investors alike, social media gives access to the personal "out of office" persona which can be just as important to know as the one on paper.

In light of all of this, financial firms have now started to adopt strict policies on what employees can say (post, Tweet, etc.) on social media. These policies are designed to prevent insider trading or other

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violations of laws and regulations. Other firms or institutions who may not necessarily be subject to such rules have adopted similar policies that address ethical versus unacceptable comments on social media.

Please check out our comments on the side menu "In the News" or contact Joelle Scott directly to learn more about social media as a due diligence tool.

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Analyst Spotlight

Lauren Vitagliano, Vice President

For over 10 years, Lauren has been an integral member of the CRI team, executing more than 1,000 due diligence background investigations. Lauren is a true problem solver and finds it very rewarding to help clients find answers to difficult questions.



Lauren leverages her expertise in public record and database research to continuously assess new and existing sources of information that are critical to the accuracy and completeness of CRI's investigative reports. In addition to managing due diligence and business intelligence projects, Lauren helps lead CRI's data source evaluation and analyst training efforts.

Prior to joining CRI in 2006, Lauren worked for Sterling Testing Systems (now Sterling Talent Solutions) in their criminal research department. She has a BA in Sociology from Fairfield University.

Lauren and her husband Rob reside on Long Island, NY and are proud parents to their young son Anthony.

[Ken S. Springer on Panel at SWFI Institutional Investor Forum 2017](#)



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